Revival package for SSIs

1083. MISS MABEL REBELLO:
SHRI B.J. PANDA:

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is a fact that Small Scale Industries sector has requested the Centre to reduce the rate of interest and chalk out a revival package for the sector;

(b) whether the sector, which provides the largest employment after agriculture, has not been given attention by Government; and

(c) if so, the assistance proposed to be extended to this sector to redress their grievances, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) Yes, Sir.

(b) and (c) The promotion and development of Small Scale Industries (SSIs) has been a conscious policy of the Government. High importance is attached to the development of this sector because of its ability to generate large-scale employment, which is next only to agriculture. While the development of SSIs is primarily the responsibility of the State/UT Governments, the Central Government supports and supplements the efforts of the State/UT Governments through implementation of various schemes/programmes uniformly throughout the country for which allocation of funds is made scheme/programme-wise and not State-wise. The major schemes implemented by the Government relate to improving the flow of credit, infrastructure development, technology upgradation, marketing and entrepreneurial development. In addition, on 30th August 2000, the Prime Minister announced a Comprehensive Policy Package for the promotion and development of SSI Sector to enhance its competitiveness, both domestically and globally. The policy package consists of enhanced fiscal and credit support, better infrastructure and marketing facilities and incentives for technology upgradation. Further, the recent initiatives taken for the promotion and development of SSIs include cluster development, enhancement of composite loan limit from Rs. 25 lakh to Rs. 50 lakh, advice to banks to adopt interest rate band of 2% above and below prime lending rates, providing collateral free

loan upto Rs. 25 lakh to the SSI units having good track record, removal of lower ceiling of Rs. 5 lakh loan to be eligible for guarantee cover under the Credit Guarantee Fund Scheme etc.

Problems of SSIs

1084. DR. VIJAY MALLYA:
SHRI RAJEEV SHUKLA:

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is a fact that a Member of Planning Commission studied the problems faced by the Small Scale Industrial Sector;

(b) if so, what are the recommendations and what is Government's approach towards these recommendations; and

(c) whether Government are ready to implement the recommendations, in order to address the problems of the Small Scale Industries?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) Yes, Sir. Government had set up a Study Group under the Chairmanship of Dr. S. P. Gupta, Member Planning Commission to study the problems faced by the Small Scale Industries (SSI) Sector and make recommendations thereon.

(b) and (c) The recommendations of the Study Group *inter-alia* included a single comprehensive law for SSIs, continuation of policy of reservation with periodic reviews in the context of the changing economic scenario, easier access to credit, marketing support, technological upgradation, improved infrastructure etc. to enable the sector to face the challenges of globalization of economy and international competition. Government considered the recommendations and announced a Comprehensive Policy Pakcage on 30th August 2000 to strengthen the SSI sector and enhance its competitiveness both domestically and globally, which included all major recommendations of the Study Group. The implementation of the package has gone a long way in addressing the concerns of the SSI Sector.